



STATE OF DELAWARE

OFFICE OF AUDITOR OF ACCOUNTS

R. THOMAS WAGNER, JR., CGFM, CFE
AUDITOR OF ACCOUNTS

PHONE: (302) 739-4241
FAX: (302) 739-2723

April 11, 2006

The Honorable Valerie A. Woodruff
Secretary
Department of Education
Townsend Building, Suite 2
401 Federal Street
Dover, DE 19903-1402

Mr. Allen Zipke
School Administrator
Campus Community Charter School
21 North Bradford Street
Dover, DE 19904

Dear Secretary Woodruff and Mr. Zipke:

SUBJECT: FINAL REPORT ON CAMPUS COMMUNITY CHARTER SCHOOL

We have completed an agreed-upon procedures attestation engagement of Campus Community Charter School (the School). The engagement included student accounting and enrollment as of September 30, 2005. The purpose of the engagement was to determine the Charter School's compliance with specific laws and to report findings as a result of procedures performed.

I trust the information contained therein will be helpful and informative.

Sincerely,

OFFICE OF AUDITOR OF ACCOUNTS

R. Thomas Wagner, Jr., CGFM, CFE
Auditor of Accounts

RTW:LLS:CLF
Enclosure

**STATE OF DELAWARE
OFFICE OF AUDITOR OF ACCOUNTS**

**CAMPUS COMMUNITY CHARTER SCHOOL
AGREED-UPON PROCEDURES
ATTESTATION ENGAGEMENT**

**STUDENT ACCOUNTING AND ENROLLMENT AS OF
September 30, 2005**



**R. THOMAS WAGNER, JR., CGFM, CFE
AUDITOR OF ACCOUNTS**

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Independent Auditor's Report
on Applying Agreed-Upon Procedures

The Honorable Valerie A. Woodruff
Secretary
Department of Education
Townsend Building, Suite 2
401 Federal Street
Dover, DE 19903-1402

Mr. Allen Zipke
School Administrator
Campus Community Charter School
21 North Bradford Street
Dover, DE 19904

Dear Secretary Woodruff and Mr. Zipke:

We have performed the procedures enumerated below, which were agreed to by the Department of Education (DOE) and Campus Community Charter School (the School). The procedures were performed solely to assist the specified parties in evaluating the School's compliance and the effectiveness of the School's internal control over compliance with State laws and regulations in regard to Student Accounting and Enrollment. Procedures were performed for Student Accounting and Enrollment as of September 30, 2005. Management of the School is responsible for the School's compliance with those requirements.

This agreed-upon procedures attestation engagement was performed in accordance with *Government Auditing Standards* (2003), issued by the Comptroller General of the United States, and the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures are as follows:

- Determine if the Charter School's policies and procedures for preparing, reviewing and reporting the September 30th student count are adequate.
- Determine if the Charter School reported the correct number of eligible students to the Department of Education (DOE) and calculated the dollar impact of disallowed students, if applicable.
- Selected ten percent (or a minimum of five) "Individualized Education Program" (IEP) files at the Charter School and verified that each file contained the required documentation in accordance with DOE's Administrative Manual for Special Education Services and calculated the dollar impact of disallowed students, if applicable.

401 FEDERAL STREET • TOWNSEND BUILDING • SUITE ONE • DOVER, DE 19901

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The Honorable Valerie A. Woodruff
Mr. Allen Zipke
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- Selected ten percent (or a minimum of five) student files enrolled in the Cooperative Education and Diversified Occupation Programs and confirmed that the students' files contained required documentation in accordance with the DOE's Administrative Directives. Calculated the dollar impact of disallowed students, if applicable.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with specified laws. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of DOE and the School and should not be used by those who have not agreed to the procedures and have not taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited. This report, as required by statute, was provided to the Office of the Governor, Comptroller General, Attorney General, Office of Management and Budget and the Department of Finance.

Sincerely,

~~OFFICE OF~~ AUDITOR OF ACCOUNTS

R. Thomas Wagner, Jr., CGFM, CFE
Auditor of Accounts

RTW:LLS:CLF

Engagement fieldwork completed
February 23, 2006

SCHEDULE OF FINDINGS

Procedure Agreed Upon #1

Determine if the Charter School's policies and procedures for preparing, reviewing and reporting the September 30th student count are adequate.

Finding:

The School does not have sufficient written internal policies and procedures governing the preparation, review and reporting of the September 30th student count.

The State of Delaware Budget and Accounting Policy Manual, "Department or agency heads are responsible for establishing and maintaining an effective system of internal control."

Additionally, the manual states, "Internal control provides management with reasonable assurance that its policies and procedures are implemented and consistently followed to ensure efficient and effective organizational operation." Further, the manual states, "A well designed system of controls must include written policies and procedures to ensure that each control objective is met."

The School utilizes written procedures, however they are not sufficient to ensure the completeness, accuracy, and timeliness of the student enrollment count. Lack of sufficient policies and procedures may result in an inaccurate student count at September 30th.

Recommendation:

The School further develop and implement in-house written policies and procedures governing the preparation, review and reporting of the September 30th student enrollment figures to the DOE. These policies and procedures should incorporate information such as:

- Documentation of personnel responsible for each task (i.e completing forms, signing forms, etc.)
- Timeframes for the submission of documentation and completion of forms
- Procedures followed if a student transfers from the School to another school
- Verification of attendance by teachers and upper level administrators
- Gathering and maintaining documentation, which supports attendance and reported enrollment figures (medical excuses, transfer/entry/withdrawal forms, homebound, placement in alternative education setting, re-engineering, etc.)
- How the School ensures that required information is included on IEP's (necessary signatures, goals, benchmarks, and objectives, etc.)
- Reference to pertinent rules and regulations stipulated by DOE and/or the Delaware Code
- Records retention policy

Auditee Response

Campus Community Charter School agrees to update our current policies and procedures to reflect the recommended additions.

SCHEDULE OF FINDINGS

Procedure Agreed Upon #2

Determine if the Charter School reported the correct number of eligible students to the Department of Education (DOE) and calculated the dollar impact of disallowed students, if applicable.

Finding

The School included two students in the September 30, 2005 student enrollment that were ineligible to be included in the count. These students did not attend the School at any time during the 2005-2006 school year.

DOE's A Summary of Delaware Code and Department of Education Regulations for Student Accounting for the September 30 Enrollment and Unit Computation (dated August 2005), states, "Enrollment means attending school sometime during the last 10 student attendance days of September or having a legitimate reason for not attending and is expected to return prior to November 1st. Supporting documentation must be on file indicating the reason for absence, the reason the student is expected to return, and an expected return date."

The School did not properly determine the eligibility status for these two students through its internal review process over enrollment accounting and reporting. Without proper attention and care in following the DOE's regulations, the School could continue to over-report the number of students enrolled, which may result in an over-funding from DOE. The disallowance of these students did not result in a loss of units or a loss of funding.

Recommendation

The School should review the DOE's regulations for Student Accounting and Enrollment reporting and ensure the underlying documentation supports the number of eligible students reported for future periods.

Auditee Response

The Charter School agrees to follow the Auditor of Accounts recommendation.

DISTRIBUTION OF REPORT

Copies of the Charter School's Agreed-upon Procedures Attestation Engagement have been distributed to the following public officials:

Executive Branch

The Honorable Ruth Ann Minner, Governor, State of Delaware
The Honorable Jennifer Davis, Budget Director, Office of Management and Budget
The Honorable Richard Cordrey, Secretary, Department of Finance

Legislative Branch

The Honorable Russell T. Larson, Controller General, Office of Controller General

Other Elective Offices

The Honorable Carl C. Danberg, Attorney General, Office of the Attorney General

Other

Ms. Jean W. Allen, President, State Board of Education
Ms. Dorcell S. Spence, Associate Secretary of Education, Finance and Administrative Services Branch, Department of Education
Mr. Jerry Gallagher, Director, Financial Management, Department of Education
Ms. Trisha Neely, Director, Division of Accounting, Department of Finance
Mr. Joseph Cantalupo, President, Board of Education, Campus Community Charter School

This report is also available at no charge on the Office of Auditor of Accounts website at www.state.de.us/auditor/index.htm or by requesting a copy in writing to:

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401 Federal Street
Dover, DE 19901